

Message Text

PAGE 01 STATE 115763

70

ORIGIN IO-02

INFO OCT-01 EUR-02 ADP-00 /005 R

66640

DRAFTED BY: IO/ CMD: HAHOFFMAN

APPROVED BY: IO/ CMD: DNFORMAN

----- 092431

R 141833 Z JUN 73

FM SECSTATE WASHDC

TO AMEMBASSY VIENNA

UNCLAS STATE 115763

FOR UNIDO

FOL TEL SENT SECSTATE INFO USUN NY FROM GENEVA JUNE 12 TH:

QUOTE: GENEVA 2817

E. O.11652 NA

TAGS EAID, UNDP

SUBJ UNDP 16 TH GC - AGENDA ITEM 8 B

1. AGENDA ITEM 8 B OCCUPIED BUDGETARY AND FINANCE COMMITTEE (BFC) FOR WHOLE DAY ON THURSDAY AND PART OF LONG FRIDAY AFTERNOON SESSION. ADMINISTRATOR PETERSON, DEP. ADMINISTRATOR LINDSTROM AND ASST. ADMINISTRATOR OLVER ALL SPOKE AT SOME LENGTH IN PRESENTING JUSTIFICATIONS FOR ADMINISTRATION BUDGET REQUEST LEVELS. OLVER'S REMARKS WERE KEYED TO ACABQ REPORT ON 1974 UNDP ADMIN. BUDGET REQUEST. HE EXPRESSED HOPE THAT HIS YEAR WILL BE FIRST " HARVEST" YEAR OF CHANGES AND MODIFICATIONS OF UNDP STRUCTURE ACCOMPLISHED DURING PAST TWO YEARS. HE ALSO STATED THE ACABQ COMMENTS IN PARA 15 DP/L.287 ARE OFF THE MARK. COORDINATION HAS NOT SO FAR BEEN EFFECTIVE BETWEEN UNDP AND THE ECONOMIC COMMISSIONS AND THE INITIATIVE IN AFRICA IS AN EFFORT TO SOLVE THE MOST DIFFICULT PROBLEM IN THIS RESPECT. BOTH OLVER AND PETERSON EMPHASIZED THAT UPGRADING OF STEDMAN POST IS ONLY ONE PHASE OF CONCERTED EFFORT TO ASSURE SUCCESS. PETERSON CHARACTERIZED STEDMAN AS UNCLASSIFIED

PAGE 02 STATE 115763

" MOST RESOURCEFUL MAN IN ORGANIZATION." ONLY THE SOVIETS AND FRENCH OPPOSED UPGRADING OF THE ADDISRES REP OFFICE WITH MINOR RESERVATIONS OR QUESTIONS ADVANCED BY TWO OR THREE OTHER DELEGATES. A RESOUNDING MAJORITY OF OPINION VERY STRONGLY IN

FAVOR OF THE UPGRADING. US ENDORSED.

2. WITH RESPECT TO UPGRADING OF GENEVA OFFICE, THERE WAS NO DIRECT OPPOSITION ALTHOUGH BULGARIANS AND POLES COMPLAINED THAT THE MOVE SHOULD HAVE BEEN DISCUSSED IN ADVANCE WITH EUROPEAN GOVERNMENTS INVOLVED AND FINNS WONDERED WHETHER PROJECTS IN ICELAND WOULD BE UNDER CONTROL OF GENEVA OFFICE OR OF HEADQUARTERS NOW THAT COPENHAGEN OFFICE OF UNDP CLOSED. ADMINISTRATION REPLIED HEADQUARTERS WOULD MANAGE ICELAND PROJECTS.

3. PARAGRAPH 13 OF ACABQ REPORT DREW SUBSTANTIAL DISCUSSION. PETERSON STATED FLATLY THAT PRESENT UNDP APPARATUS NOT EXCESSIVE FOR PRESENT PROGRAM SIZE AND THAT AS PROGRAM GROWS TOWARD \$500 MILLION TARGET IT WILL BE NECESSARY TO INCREASE UNDP STAFF. SEVERAL DELEGATIONS NOTED THAT THEY HAD SHARED ACABQ ILLUSION THAT CHANGES OF PAST TWO YEARS WERE INCREASING NOT ONLY EFFECTIVENESS OF UNDP BUT ALSO ITS CAPACITY. US DEL EXPRESSED HOPE THAT FUTURE STAFF INCREASES AND OTHER COST ELEMENTS COULD BE AT SUBSTANTIALLY LOWER RATE THAN RATE OF INCREASE IN PROGRAM. ALMOST EVERY SPEAKER REITERATED US POINT THAT ADMINISTRATIVE COSTS AS PERCENT OF EITHER PROJECT EXPENDITURES OR OF TOTAL PROGRAM EXPENDITURES HAVE RISEN IN LAST TWO YEARS AND THAT RISE IS PROJECTED BY UNDP TO CONTINUE.

4. SEVERAL DELEGATIONS ALSO CRITICIZED THE MERGER OF EXTERNAL RELATIONS AND PUBLIC INFORMATION INTO A NEW OFFICE WITH INCREASED COSTS. AUSTRALIANS QUESTIONED USEFULNESS OF ANY EXPENDITURE ON EXTERNAL RELATIONS VIS-A-VIS DONORS AND SEVERAL SPEAKERS ECHOED THE ACABQ OPINION THAT ADQUATE INFORMATION ON UNDP DEVELOPMENT ACTIVITIES IS AVAILABLE FROM A VARIETY OF OTHER UN SOURCES. ADMINISTRATION HOWEVER STICKING BY ITS GUNS ON ESSENTIAL CHARACTER OF THIS OFFICE. LINDSTROM ANNOUNCED THAT AROUND MID 1974 THE UNITED NATIONS VOLUNTEERS WILL TAKE OVER FROM THE INTERNATIONAL SECRETARIAT FOR VOLUNTEER SERVICES (ISVS), THE RECRUITMENT OF VOLUNTEERS FOR ITS PROGRAM. THIS CHANGE WILL RESULT IN A REDUCTION OF APPROXIMATELY \$60,000 IN THE ESTIMATES ON PAGE 86 OF DP/L.276. THE LINE "CLEARINGHOUSE, GENEVA" HAS BEEN UNCLASSIFIED

PAGE 03 STATE 115763

AMENDED TO "RECRUITMENT." THIS MEANS, INCIDENTALLY, THAT ISVS WILL ONLY RECEIVE SOME \$35-45,000 FROM UNV IN 1974 AND NOTHING THEREAFTER FOR RECRUITMENT. US DEL WILL EXPRESS VIEW ON VOLUNTEERS IN PLENARY AND MADE NO INTERVENTION IN BFC ON THIS POINT.

4. PARAGRAPH 22 OF ACABQ REPORT, WHICH SUGGESTS GC CONSIDER SUBJECTING UNFPA ADMIN. BUDGET REQUESTS TO ACABQ SCRUTINY, MET WITH VERY NEGATIVE REACTION FROM ADMINISTRATION. IN GENERAL, DELEGATES TOOK VIEW THAT MATTER MIGHT BE CONSIDERED AT LATER DATE BUT THAT, AT PRESENT, REVIEW BY GC IS SUFFICIENT AND THAT INSERTING ACABQ INTO PROCESS WOULD ONLY COMPLICATE MATTERS AND ADD APPRECIABLY TO BURDEN OF PREPARATION AND DOCUMENTATION. SEDEN FELD ACABQ SHOULD COMMENT ON UNFPA BUDGET BUT AGREED THAT IT

IS PERHAPS NOT YET TIME TO INSTITUTE SUCH A PROCEDURE. AUSTRALIA ALSO FAVORED REVIEW BY ACABQ AS DID FRANCE, SWITZERLAND AND CANADA WITH VARYING DEGREES OF FIRMNESS.

6. THE ACABQ SUGGESTION THAT A BIENNIAL BUDGET CYCLE BY
CONSIDERED ALSO DREW A GENERALLY NEGATIVE RESPONSE. THE ADMINIS-
TRATOR SUGGESTED UNDP WAS MORE OF A BUSINESS- LIKE ORGANIZATION
THAN MOST OTHER UN SYSTEM ENTITIES AND THAT ANNUAL BUDGETING SEEMS
MORE DESIRABLE. THIS POSITION DREW SUPPORT FROM MOST DELEGATES
ALTHOUGH THE DUTCH FAVORED THE IDEA OF BIENNIAL BUDGETS. SEVERAL
DELEGATIONS ALGHOUGH NOT WILLING TO HAVE TWO YEAR CYCLE ADOPTED
NOW THOUGHT IDEA MERITED FURTHER DISCUSSION AND ADMINISTRATION
WILL BE ASKED TO STUDY MATTER AND REPORT TO GC.

7. UNDP' S PROJECT EXECUTION DIVISION WAS SUBJECT OF MANY QUESTIONS
AND FAIRLY EXTENDED DISCUSSIONS. ALMOST ALL DELEGATES WHO
SPOKE ON SUBJECT EXPRESSED GENERAL FAVOR FOR CONCEPT BUT
CONSIDERABLE UNCERTAINTY ABOUT HOW IT DOES AND WILL
FUNCTION. OLVER EXPLAINED SUITABLE PROJECTS WILL BE IDENTIFIED
BY REGIONAL BUREAUS AND DEPUTY ADMINISTRATOR (PROGRAM) PATEL.
ADMINISTRATOR MUST THEN APPROVE PROJECT AND INTERESTED AGENCIES
WILL BE INFORMED UNDP IS TO EXECUTE PROJECT. COSTS TO COME FROM
GENERAL ACCOUNT FOR AGENCY OVERHEAD COSTS. AT PRESENT TWO
OFFICERS AND ONE SECRETARY ARE ENTIRE STAFF OF DIVISION BUT IT
MAY GROW TO SIX OR SEVEN PEOPLE BY YEAR END. SO FAR ONLY VERY
SMALL PROJECTS HANDLED BUT THIS YEAR DIVISION WILL BEGIN A FEW
LARGER SCALE PROJECTS COSTING \$5 TO 8 MILLION OVER NEXT TWO YEAR
PERIOD. ALTHOUGH NOT EXPLICITLY STATED, ONE GETS IMPRESSION
UNCLASSIFIED

PAGE 04 STATE 115763

ADMINISTRATION MAY HOPE TO SEE PROJECT EXECUTION DIVISION GROW
IN CAPABILITY TO POINT WHERE IT OFFERS ALTERNATIVE TO REGULAR
EXECUTING AGENCIES ACROSS WIDE RANGE OF PROJECT TYPES. ALL
EXECUTION WILL BE BY CONTRACTS WITH NO ACTUAL PROJECT WORK BY
DIVISION STAFF.

8. THERE WERE GENERALLY FAVORABLE COMMENTS ON THE FORMAT OF THE
BUDGET PRESENTATION AND A NUMBER OF CONGRATULATORY COMMENTS ON
THOROUGHNESS OF PREPARATION. DUTCH, BRAZILIANS AND INDIANS RAISED
QUESTIONS ON SUCH MATTERS AS CENTRALIZATION VS. DECENTRALIZATION,
RELATIONSHIP OF BUREAU HEADS TO ADMINISTRATOR AND THEIR ROLE IN
POLICY. SEVERAL DELEGATIONS SPOKE STRONGLY FOR DECENTRALIZATION
AND STRONGER RES REP ROLE. BRAZIL SUGGESTED ADMINISTRATION
SOMETIMES GIVES IMPRESSION IT FEELS HAMPERED BY DECISIONS TAKEN
IN CONSENSUS AND URGED THAT OF THAT IS THE CASE THE PROBLEMS
SHOULD BE AIRED. NORWAY NOTED THAT ESTABLISHMENT OF REGIONAL
BUREAUS HAD NOT BEEN INTENDED TO CREATE FOUR SEPARATE UNDP' S.
NETHERLANDS ASKED SPECIFICALLY WHETHER NEW ASSISTANT
ADMINISTRATOR AS PATEL' S DEPTY WOULD HAVE PURELY STAFF RESPON-
SIBILITIES OR WOULD EXERCISE A LINE FUNCTION BETWEEN ADMINIS-
TRATOR AND BUREAU HEADS IN PATEL' S ABSENCE. ADMINISTRATION
REPLIED THAT NEW ASST. ADMINISTRATOR PURELY STAFF OFFICER.

OLVER RESPONDED TO BRAZIL QUESTION BY SAYING ADMINISTRATION ONLY SEEKING MOST EFFICIENT WAY TO OPERATE WITHOUT THWARTING CONSENSUS DESIRE TO HAVE FOUR BUREAUS. BUREAU HEADS HAVE UNOBSTRUCTED ACCESS TO PETERSON HE NOTED.

9. NIGERIA RAISED QUESTION WHETHER ADMINISTRATOR AWARE OF UNIDO (IDB) PROPOSAL TO RAISE NUMBER INDUSTRIAL DEVELOPMENT FIELD ADVISORS (IDFA) FROM 30 TO 40 IN 1974, SINCE BUDGET EX-PLICITLY STATES NO INCREASE IN NUMBER CONTEMPLATED IN 1974.

AUSTRALIA NOTED QUESTION

UNDER DISCUSSION BY ADMINISTRATOR AND
UNIDO EXECUTIVE DIRECTOR WITH REPORT DUE AT 17 TH GC AND SHOULD
NOT CONCERN THIS SESSION. INDIA AGREED BUT FELT OMISSION OF
BUDGET IROVISION FOR ANS INCREASE IN NUMBER IDFA'S SHOULD BE
SPECIFICALLY BE NOTED BY BFC AS WITHOUT PREJUDICE TO FINAL
DEVISION TO BE MADE AT 17 TH GC OR LATER. MALAYSIA THEN OFFERED
WORDING FOR BFC REPORT WHICH
WOULD HAVE BUDGET ESTIMATE FOR
IDFA'S APPROVED PROVISIONALLY

UNCLASSIFIED

PAGE 05 STATE 115763

PENDING APPROVAL OF IDB RESOLUTION BY ECOSOC AND GA, CANADA
OBJECTED STRONGLY THAT THIS WOULD PREJUDGE OUTCIME OF UNDP- UNIDO
DISCUSSIONS.

AUSTRALIA ADDED THAT GC SHOULD DO NOTHING TO FORECLOSE ADMINISTRATOR'S OPTIONS. UK AND DUTCH SIDED WITH AUSTRALIA. USDEL ENDORSED CANADIAN AND AUSTRALIAN OBJECTIONS AND
POINTED OUT MATTER IS ULTIMATELY FOR GC TO DECIDE, NOT SOME OTHER
OUTSIDE BODY. MALAYSIAN WORDINR CHANGED TO REFER TO " CONSIDERATION"
BY ECOSOC AND GA RATHER THAN " APPROVAL." MATTER NOT COMPLETELY
RESOLVED BUT WE BELIEVE WORDING OF BFC REPORT CAN BE NEGOTIATED
SO IT DOES NOT HAMPER ADMINISTRATOR'S LATITUDE IN DISCUSSIONS
WITH UNIDO AND DOES NOT PUT GC STAMI OF APPROVAL ON IDB RESOLUTION.

10. OVERALL THERE WAS A SURPRISING DERREE OF ACCEPTANCE THAT
ADMINISTRATION HAS DONE A RATHER GOOD JOB OF KEEPING ADMIN. COSTS
WITHIN REASON. THERE WERE PERSISTENT COMPLAINTS ABOUT RISING
FRACTION OF TOTAL COSTS FOR NON- PROJECT PURPOSES AND THERE WAS
SNIPING AT PRINTING COSTS, PUBLIC INFORMATION AND EXTERNAL
RELATIONS, NUMBER OF VEHICLES AND OTHER POINTS. BUT SUCH VARIED
GC MEMBERS AS BRAZIL, UPPER VOLTA, INDIA, AND DENMARKED JOINED
A WIDE MAJORITY IN SAYING THE 1974 BUDGET IS A GOOD JOB
DESPITE MINOR FLAWS. BASSIN UNQUOTE PORTER

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE115763
Document Source: ADS
Document Unique ID: 00
Drafter: IO/ CMD: HAHOFFMAN
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730635/abqcemp.rtel
Line Count: 211
Locator: TEXT ON-LINE
Office: ORIGIN IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 15 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Oct-2001 by phillir0>; APPROVED <27 FEB 2002 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980209
Subject: SUBJ UNDP 16 TH GC - AGENDA ITEM 8 B
TAGS: EAID, AU, UNDP
To: VIENNA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005